



**DEPARTMENT OF THE NAVY**  
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IN REPLY REFER TO  
ACQ 021  
17 Aug 99

MEMORANDUM FOR ACQUISITION PERSONNEL

Subj: CHANGE TO NAVY ACQUISITION PROCEDURES SUPPLEMENT (NAPS)  
PERTAINING TO SOURCE SELECTION AUTHORITY (SSA) (99-34)

Encl: (1) OASN(RD&A)/ABM memo of 30 Jul 99

1. Enclosure (1) provides NAPS Change #97-11. This change is effective immediately and is incorporated in the NAPS Online at <http://www.abm.rda.hq.navy.mil/naps/index.html>.

A handwritten signature in black ink, appearing to read "M. F. Howard", is positioned above the name and title.

MICHAEL F. HOWARD  
Director, Strategic Management/  
Community Management Section



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JUL 30 1999

MEMORANDUM FOR DISTRIBUTION

Subj: CHANGE TO NAVY ACQUISITION PROCEDURES SUPPLEMENT (NAPS)  
PERTAINING TO SOURCE SELECTION AUTHORITY (SSA)

Encl: (1) NAPS Change #97-11

FAR 15.303 designates the contracting officer as the SSA, unless someone else is designated by the agency head for a particular acquisition or group of acquisitions. SECNAV Instruction 5000.2B, Enclosure (5), Paragraph 5.9, addresses the matter of SSA for ACAT and abbreviated acquisition programs.

For other competitively negotiated acquisitions, however, there are occasions where, for reasons of dollar value, mission importance or political visibility, it is appropriate to have someone other than the contracting officer act as SSA. In those cases, the Head of the Contracting Activity, (or the Program Executive Officer (PEO), for PEO-assigned efforts), may designate an alternate individual to be the SSA.

The coverage provided in enclosure (1) is hereby incorporated into the August 1997 NAPS. It is effective immediately, and will be reflected in the NAPS Online.

*Elliott B. Branch*

Elliott B. Branch  
Executive Director  
Acquisition and Business  
Management

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## **NAVY ACQUISITION PROCEDURES SUPPLEMENT CHANGE #97-11**

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1. NAPS Section 5215.303 coverage is added as follows:

### **PART 5215**

#### **CONTRACTING BY NEGOTIATION**

##### **SUBPART 5215.3—SOURCE SELECTION**

###### **5215.303 Responsibilities.**

(a) In acquisitions which, for reasons of high dollar value, mission importance or political visibility, it is appropriate to have someone other than the contracting officer act as SSA, the HCA, (or PEO, for PEO-assigned efforts), may designate an alternate individual to be the SSA.

2. NAPS change pages are attached.

**PART 5215**

**CONTRACTING BY NEGOTIATION**

**SUBPART 5215.2—SOLICITATION AND RECEIPT OF PROPOSALS AND INFORMATION**

**5215.203 Requests for proposals.** Every competitive written solicitation which is required by FAR Subpart 5.2 to be synopsisized in the Commerce Business Daily, and all amendments thereto, must be available electronically and be linked to or posted on the Navy Electronic Commerce Online (NECO) world wide web site ([www.neco.navy.mil](http://www.neco.navy.mil)).

**5215.204 Contract format.**

**5215.204-5 Part IV—Representations and instructions.**

(c) When a cost realism evaluation will be performed, Section M, Evaluation Factors for Award, shall include a notice that the proposed costs may be adjusted, for purposes of evaluation, based upon the results of the cost realism evaluation. If the contract will be firm fixed price, or fixed price with economic price adjustment, the notice is not required, and proposed prices will not be adjusted.

**SUBPART 5215.3—SOURCE SELECTION**

**5215.303 Responsibilities.**

(a) In acquisitions which, for reasons of high dollar value, mission importance or political visibility, it is appropriate to have someone other than the contracting officer act as SSA, the HCA, (or PEO, for PEO-assigned efforts), may designate an alternate individual to be the SSA.

**5215.305 (DFARS 215.305) Proposal evaluation.**

(a)(1) *Cost or price evaluation.* Methods of evaluation which assign a point score to cost or price and combine it with point scores for other evaluation factors generally should not be used. Point scores can be helpful in summarizing subjective evaluation of technical and other factors, but are not needed in evaluating cost or price and tend to obscure the tradeoff between cost/price and other factors, rather than clarifying it. If point scoring of cost/price is utilized, it should be demonstrated that the value of a cost/price point is comparable, in value to the Government, to the value of a non-cost/price point. When a cost realism analysis is performed, the resulting realistic cost estimate shall be used in the evaluation of cost, except when using a firm-fixed-price or fixed-price with economic price adjustment type of contract.

(4) *Cost information.* The sharing of cost information with the technical evaluation team, and any limitations on the timing and extent of such sharing, should be addressed during the planning for the source selection. HCAs may

establish specific procedural requirements for approving, documenting and/or varying from plans related to such sharing.

(90) Approval for use of contractor personnel as evaluators is addressed in FAR Subpart 37.2 and 5237.204. Such contractor personnel shall not rank or recommend one proposal over another, assign any ratings or numerical scores, or otherwise act in a decision making capacity. Whenever advisory contractor personnel are to be used, a written release shall be obtained from each offeror.

## **SUBPART 5215.4—CONTRACT PRICING**

### **5215.404 Proposal analysis.**

#### **5215.404-1 (DFARS 215.404-1) Proposal analysis techniques.**

(d) *Cost realism analysis.* A price analysis approach where there is adequate price history may also be a suitable and efficient means to evaluate cost realism. The amount of data required will be dependent upon the complexity of the procurement and the data already available to the contracting officer (*e.g.* information on recent Forward Pricing Rate Agreements (FPRAs)).

### **5215.406 (DFARS 215.406) Documentation.**

#### **5215.406(90) Business clearance.**

(a) Generally, "pre-negotiation" and "post-negotiation" business clearances are required for each negotiated contract action. Business clearance memoranda (BCM) document the basis for approval of the action, and the basis for determination that the negotiated prices are fair and reasonable.

(b) For competitive acquisitions, the pre-BCM presents a chronology of the acquisition up to the determination of competitive range, and provides the basis for the competitive range decision. The post-BCM continues the chronology to contract award, and provides the basis for the award decision. If award is made without discussions, on the basis of original offers, the pre- and post-BCM may be combined.

(c) For contracts and modifications requiring price negotiations, the pre-BCM demonstrates to the approving official that the Government is ready to enter into negotiations. It addresses salient legal and regulatory requirements, and sets forth the Government's negotiation objectives. It generally includes a discussion of the bases for the contractor's proposal and the Government objective, DCAA and other Government pricing recommendations and the analysis done and conclusions reached by the negotiating team. The post-BCM describes the results of negotiations, and documents the basis for determining the negotiated price is fair and reasonable. Using the objective in the pre-BCM as a base, it addresses the reasons for any difference between the initial objective and the final negotiated amount. The pre- and -post BCM together constitute the documentation required by FAR 15.406-3 and DFARS 215.406-3, and must provide all the information required therein. In particular, the BCMs must document the use made of field

pricing assistance, and must describe the extent of Government reliance on the contractor's cost or pricing data, if obtained, in sufficient detail to provide a basis for Government recovery in the event any of the data proves inaccurate, incomplete or not current.

**SUBPART 5215.5—PREAWARD, AWARD AND POSTAWARD NOTIFICATIONS,  
PROTESTS, AND MISTAKES**

**5215.505 Preaward debriefing of offerors.**

(e)(1) If the evaluation included a cost realism analysis, include information about the results of the analysis as it relates to the offeror being debriefed and its effect on the offeror's evaluated cost.

**5215.506 Postaward debriefing of offerors.**

(d)(2) If the evaluation included a cost realism analysis, include information about the results of the analysis as it relates to the offeror being debriefed and its effect on the offeror's evaluated cost.